

ORIGINAL

NEW APPLICATION



0000027718



SOUTHWEST GAS CORPORATION

Roger C. Montgomery, Vice President/Pricing

November 8, 2005

Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Subject: Advice Letter No. 05-11-01

G-01551A-05-0823

Southwest Gas Corporation (Southwest) hereby seeks Commission approval to implement an increase of \$.09000 per therm in its gas cost balancing account surcharge.


The Commission last authorized a change in Southwest's surcharge effective January 2004 when the Commission implemented a \$.02000 per therm surcharge designed to recover approximately \$11 million on an annual basis. Since that time, Southwest's unrecovered gas cost balance has increased to approximately \$30 million. Southwest projects the balance will increase to approximately \$60 million by the end of 2005. The proposed surcharge has been designed to recover the 2005 end-of-year unrecovered gas cost balance.

Assuming a January 1, 2006, implementation date, Southwest's proposed surcharge will increase the average 2005/2006 winter bill for residential customers by \$3.00 and the average January bill by \$6.48. These average bills are illustrated graphically in the attached charts.

In consideration of the above, Southwest respectfully requests Commission authorization to increase its gas cost balancing surcharge to \$.11000 per therm effective the first billing cycle in January 2006, or as soon as practicable thereafter. The calculation of the proposed surcharge is attached.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

By 
Roger C. Montgomery

Attachment

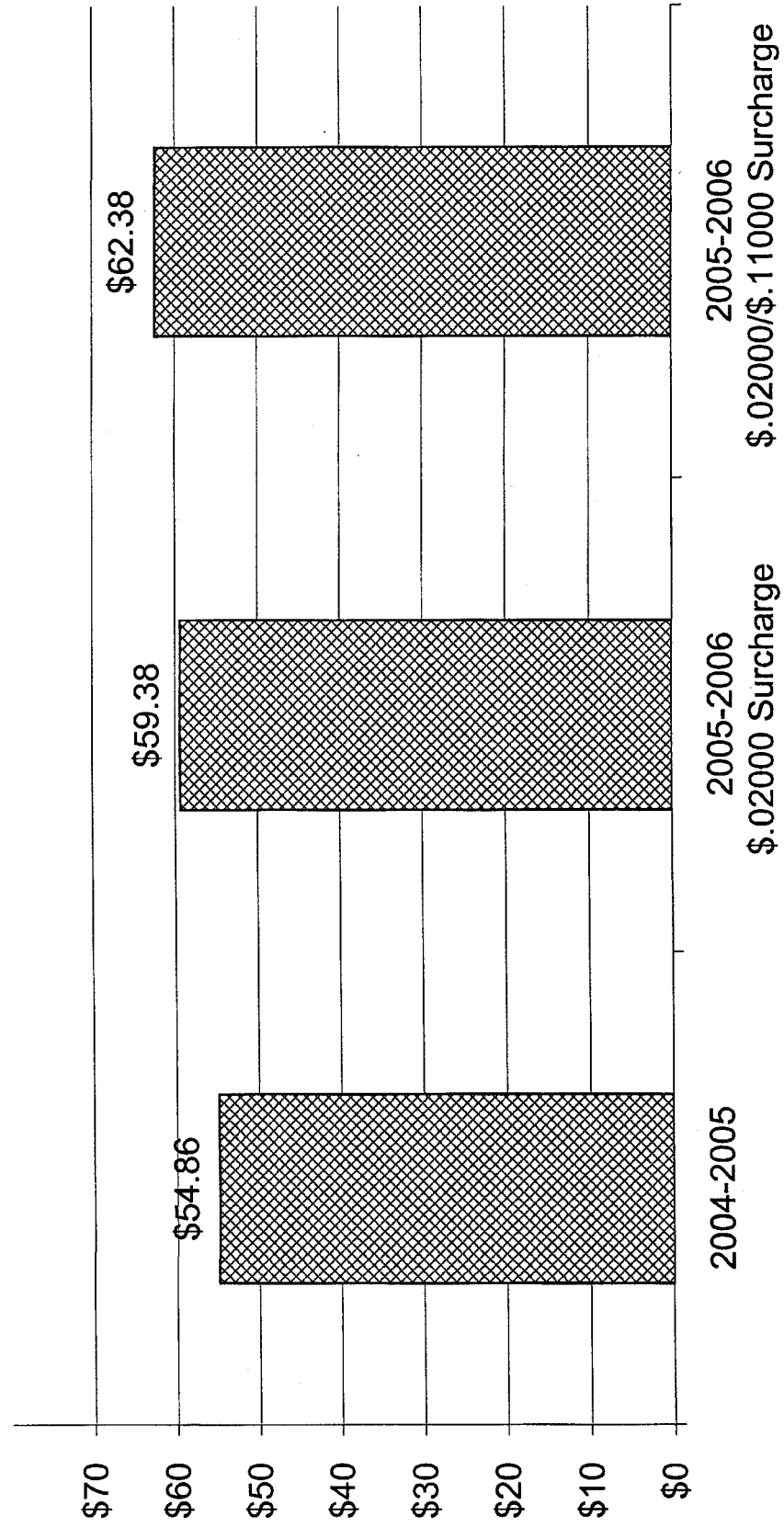
c Mr. Robert Gray, ACC
Mr. Stephen Ahearn, RUCO

AZ CORP COMMISSION
DOCUMENT CONTROL

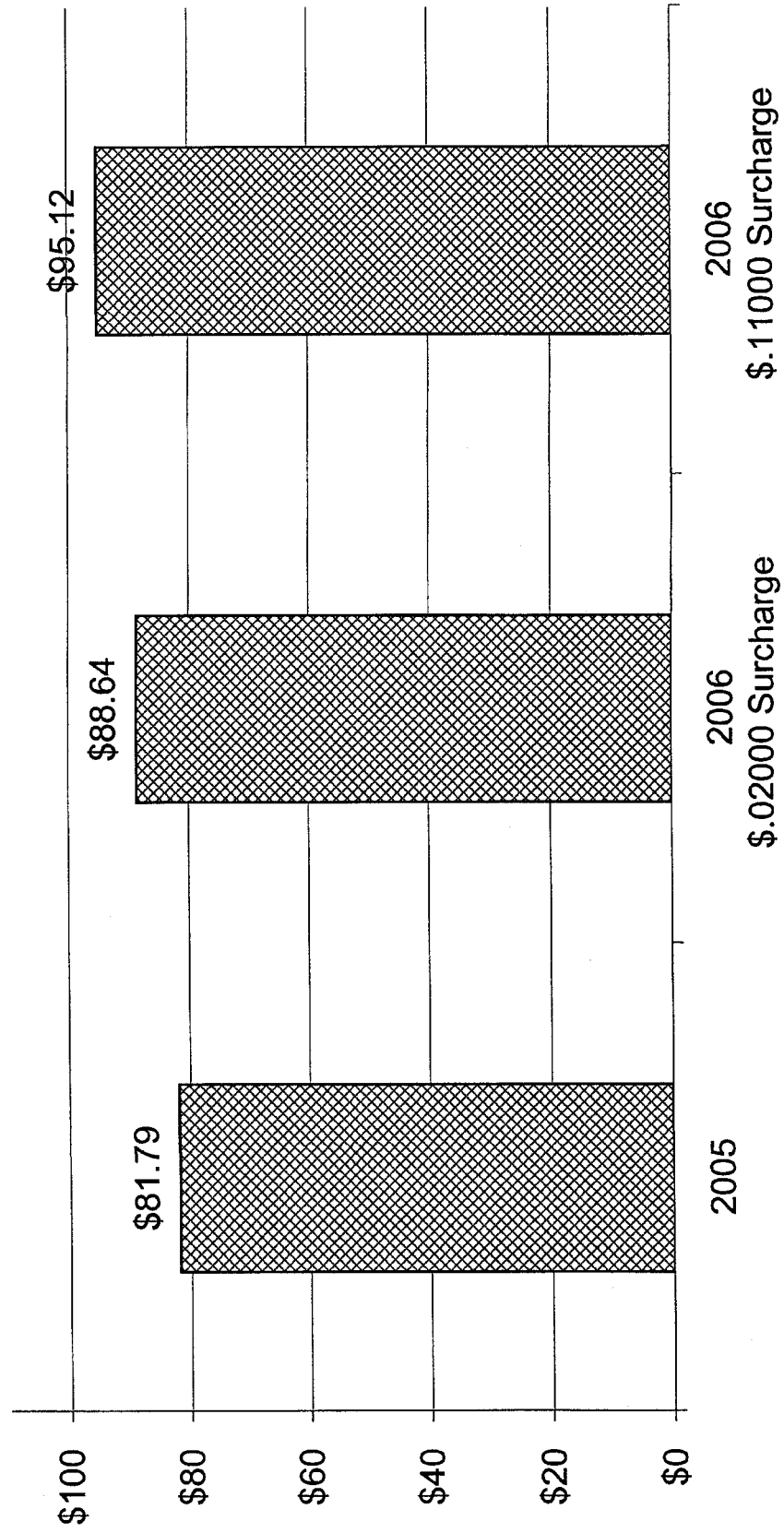
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SOUTHWEST GAS CORPORATION
Arizona
Average Winter Bill (November - April)



SOUTHWEST GAS CORPORATION
Arizona
Average January Bill @ 72 Therms



SOUTHWEST GAS CORPORATION
ARIZONA
CALCULATION OF BALANCING ACCOUNT SURCHARGE

| | Therms | Dollars | Rate per Therm |
|---------------------|--------------------|----------------------|-------------------|
| Calculation of rate | 544,894,956.00 [1] | \$ 60,078,244.00 [2] | \$ 0.11000 [3] |

[1] Sales for the twelve months ended August 31, 2005,
for those classes participating in the PGA provision.

[2] Projected balance in Account No. 191 at December 31, 2005.

[3] Rate is rounded to the nearest whole cent.